

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

March 22, 2021

1:01 p.m.

MEMBERS PRESENT

Representative Josiah Patkotak, Chair
Representative Grier Hopkins, Vice Chair
Representative Calvin Schrage
Representative Sara Hannan
Representative George Rauscher
Representative Mike Cronk
Representative Ronald Gillham

MEMBERS ABSENT

Representative Zack Fields
Representative Tom McKay

OTHER LEGISLATORS PRESENT

Representative Andi Story

COMMITTEE CALENDAR

HOUSE BILL NO. 115

"An Act relating to aquatic farming and hatchery site leases; and requiring the director of the division of lands to provide the legislature with an annual report relating to aquatic farming and hatchery site leases."

- MOVED HB 115 OUT OF COMMITTEE

HOUSE BILL NO. 81

"An Act authorizing the commissioner of natural resources to modify a net profit share lease."

- MOVED CSHB 81(RES) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 115

SHORT TITLE: AQUATIC FARMING & HATCHERY SITE LEASES

SPONSOR(S): REPRESENTATIVE(S) STORY

02/24/21 (H) READ THE FIRST TIME - REFERRALS

02/24/21	(H)	FSH, RES	
03/04/21	(H)	FSH AT 11:00 AM GRUENBERG 120	
03/04/21	(H)	Heard & Held	
03/04/21	(H)	MINUTE(FSH)	
03/09/21	(H)	FSH AT 11:00 AM GRUENBERG 120	
03/09/21	(H)	Moved HB 115 Out of Committee	
03/09/21	(H)	MINUTE(FSH)	
03/10/21	(H)	FSH RPT 7DP	
03/10/21	(H)	DP: VANCE, STUTES, STORY, MCCABE,	
		KREISS-TOMKINS, ORTIZ, TARR	
03/19/21	(H)	RES AT 1:00 PM BARNES 124	
03/19/21	(H)	Heard & Held	
03/19/21	(H)	MINUTE(RES)	
03/22/21	(H)	RES AT 1:00 PM BARNES 124	

BILL: HB 81

SHORT TITLE: OIL/GAS LEASE:DNR MODIFY NET PROFIT SHARE
 SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/18/21	(H)	READ THE FIRST TIME - REFERRALS	
02/18/21	(H)	RES, FIN	
03/05/21	(H)	RES AT 1:00 PM BARNES 124	
03/05/21	(H)	Heard & Held	
03/05/21	(H)	MINUTE(RES)	
03/10/21	(H)	RES AT 1:00 PM BARNES 124	
03/10/21	(H)	Heard & Held	
03/10/21	(H)	MINUTE(RES)	
03/17/21	(H)	RES AT 1:00 PM BARNES 124	
03/17/21	(H)	Heard & Held	
03/17/21	(H)	MINUTE(RES)	
03/19/21	(H)	RES AT 1:00 PM BARNES 124	
03/19/21	(H)	Heard & Held	
03/19/21	(H)	MINUTE(RES)	
03/22/21	(H)	RES AT 1:00 PM BARNES 124	

WITNESS REGISTER

Grace Ervine, Staff
 Representative Josiah Patkotak
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Provided an overview of the proposed committee substitute for HB 81 on behalf of Representative Patkotak, prime sponsor.

RYAN FITZPATRICK, Commercial Analyst
 Division of Oil and Gas

Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Provided information and answered questions during the hearing on HB 81.

ACTION NARRATIVE

[1:01:54 PM](#)

CHAIR JOSIAH PATKOTAK called the House Resources Standing Committee meeting to order at 1:01 p.m. Representatives Cronk, Hopkins, Schrage, Gillham, Hannan, Rauscher, and Patkotak were present at the call to order.

HB 115-AQUATIC FARMING & HATCHERY SITE LEASES

[1:02:55 PM](#)

CHAIR PATKOTAK announced that the first order of business would be HOUSE BILL NO. 115, "An Act relating to aquatic farming and hatchery site leases; and requiring the director of the division of lands to provide the legislature with an annual report relating to aquatic farming and hatchery site leases."

[1:03:48 PM](#)

REPRESENTATIVE HOPKINS moved to report HB 115 out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, HB 115 was reported out of the House Resources Standing Committee.

[1:04:10 PM](#)

The committee took an at-ease from 1:04 p.m. to 1:06 p.m.

HB 81-OIL/GAS LEASE:DNR MODIFY NET PROFIT SHARE

[1:07:02 PM](#)

CHAIR PATKOTAK announced that the final order of business would be HOUSE BILL NO. 81, "An Act authorizing the commissioner of natural resources to modify a net profit share lease." [Before the committee was the proposed committee substitute (CS) for HB 81, Version 32-GH1706\B, Nauman, 3/16/21, as amended, adopted as the working document during the meeting of the House Resources Standing Committee on 3/17/21.]

REPRESENTATIVE HOPKINS moved to adopt the proposed committee substitute for HB 81, Version 32-GH1706\I, Nauman, 3/22/21, as the working document. There being no objection, Version I was before the committee.

[1:07:49 PM](#)

Grace Ervine, Staff, Representative Josiah Patkotak, Alaska State Legislature, provided an overview of the proposed CS for HB 81, Version I, on behalf of Representative Patkotak, prime sponsor. She reminded the committee that the prior proposed CS, Version B, conformed the bill from the Department of Law and Department of Natural Resources drafting style to the Legislative Legal Services drafting style. She paraphrased the changes in Version I, which read as follows [original punctuation provided]:

Page 2 Lines 16 - 19

- Clarifies language in subsection D regarding circumstances in which capital expenditures are needed to extend the economic life of an oil or gas field or pool
- Specifies that subsection D only applies to net profit share lease modifications

Page 2 Line 31

- Conforming change related to changes made to subsection D

Page 3 Lines 11 - 18

- Adds further clarification to modifications in which capital expenditures are needed, ensuring that lessees are actually making the needed capital expenditures

Page 4 Line 18

- Conforming change related to changes made to subsection D

[1:09:29 PM](#)

RYAN FITZPATRICK, Commercial Analyst, Division of Oil and Gas, Department of Natural Resources, referred to comments he had made at the close of last session and thanked the committee members for their consideration and work on HB 81.

[1:10:03 PM](#)

REPRESENTATIVE HOPKINS moved to report CSHB 81, Version 32-GH1706\I, Nauman, 3/22/21, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 81(RES) was reported out of the House Resources Standing Committee.

[1:11:07 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 1:11 p.m.